(b) whether the North Eastern-Region would soon become the hub of international investment from being a hot bed of insurgency;

(c) if so, whether Government are aware that payments to industrial houses, SSI units and others are not being made by North-Eastern States, particularly Government of Manipur; and

(d) if so, to what extent the development of North East would be viable when the payments for projects are not cleared promptly by these States?

THE MINISTER OF DEVELOPMENT OF NORTH EASTERN REGION (SHRI ARUN SHOURIE): (a) Yes, Sir.

(b) Government of India is committed for the speedy development of North-Eastern States. Towards this end, *inter-alia,* a workshop of International Aid Agencies was held in which enhancement of present level of assistance to the North Eastern States was discussed on 16th February, 2002. A North East Business Summit was also organized in Mumbai on 19th-20th July, 2002 to showcase the strength of the North Eastern Region and to present the significant business opportunities available for investors. There is enormous potential for development in North East. It can be realized, however, only if peace is ensured, and infrastructure bottlenecks are removed. On the latter, expeditious and honest implementation of projects is required. For such expeditious and timely implementation in turn accountability needs to be established.

(c) and (d) There have been occasional delays in payments. The department has tightened the monitoring of projects for which funds are specifically earmarked under Plan Schemes.

Utilization of funds for the development of NER

2. SHRI KARNENDU BHATTACHARJEE: Will the Minister of DEVELOPMENT OF NORTH EASTERN REGION be pleased to state:

(a) Whether it is a fact that no expenditure has been incurred during the last two years out of the funds allocated for the development of the » entire North-Eastern Region;

(b) if so, the reasons therefor; and

(c) the steps taken / proposed to be taken to draw up quick developmental programmes for the proper utilization of the funds earmarked for the purpose?

THE MINISTER OF DEVELOPMENT OF NORTH EASTERN REGION (SHRI ARUN SHOURIE): (a) No, Sir. An amount of Rs. 804.85 crores has been given to North-Eastern States during the last two years from the Non-Lapsable Central Pool of Resources (NLCPR) being directly administered by the Department of Development of North-Eastem Region. Besides North Eastern Council has also incurred an expenditure of Rs. 836.46 crores during last two years in the North-Eastern Region. In addition development programmes of the State Governments in the North East are also funded through the plans of the Unions Ministries / Agencies and plans of the State Governments.

(b) Utilization of funds falls short of allocations because of the following major reasons:—

(i) Short construction season in the North East.

(ii) Poor financial condition of the States and their inability to provide matching funds.

(iii) Insurgency.

(iv) Inadequate capacity to execute projects.

(c) Following steps have been taken to ensure proper utilization of the funds released under the Non-Lapsable Central Pool of Resources:

(i) Guidelines have been formulated for administering the Non-Lapsable Central Pool of Resources.

(ii) Procedure for sanction and release of funds from the Non-Lapsable Central Pool of Resources has been streamlined. During the current financial year regular Budgetary Provision has been made in the Demands for Grants of the Department of Development of North-Eastern Region.

(iii) Funds are released to the specific projects only after receipt of utilization certificates and Quarterly Progress Report.

(iv) At the request of this Department, the Comptroller and Auditor General of India has agreed to undertake audit of some projects during the execution itself.

(v) Officers of the department have commenced physical verification of specific projects.

(vi) Steps have been taken to increase transparency and to publicize the projects being funded under the NLCPR and by the North-Eastern Council.

Delay on disinvestment

3. SHRI MOOLCHAND MEENA: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether the delay in disinvestment has proved bad for market and Government's image;

(b) if so, whether the Indian industry is not happy about the recent flip-flop on disinvestment;

(c) whether according to them the disinvestment fiasco would adversely affect the market sentiment and the overall economic sentiments;

(d) if so, whether both the Prime Minister and the Deputy Prime Minister have been urged to take immediate final decision for continuance of disinvestment policy; and

(e) if so, by when Government are likely to take final decision on these issues?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) Disinvestment being an important component of economic reforms, any perceived setback in it does have an immediate adverse impact on market sentiments and typically market capitalization of PSUs have taken a down turn in such situations.

(b) and (c) Apprehensions have indeed been expressed by experts of the negative sentiments of any delay that might take place in the reform process in general and disinvestment in particular.

(d) and (e) there has been no discontinuance of disinvestment policy. The disinvestment programme is being implemented and Government is